

***UNITED STATES
POSTAL SERVICE***

FINANCIAL & OPERATING STATEMENTS



**Accounting Period 11, PFY 2001
June 16 - July 13, 2001**

**Prepared by:
Financial Analysis**

Highlights
Accounting Period 11, FY 2001
(Millions)

Accounting Period 11					
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY

\$ 4,748.9	\$ 4,926.6	[\$ - 177.7]	[- 3.6]	\$ 4,510.7	5.3	Total Revenue (1)
5,019.1	5,102.3	- 83.2	- 1.6	4,758.7	5.5	Total Expense (2)
\$ (270.2)	\$ (175.7)	[\$ - 94.5]	-	\$ - 248.0	-	Income/(Loss)
\$ 149.6	\$ 66.2	[\$ 83.4]	[126.0]	\$ 106.1	41.0	Capital Commitments (3)
114.9	117.1	- 2.1	- 1.8	117.2	- 1.9	Total Work Hours
14,826.3	14,741.4	84.9	0.6	14,483.2	2.4	Mail Volume

Year-to-Date					
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY

\$ 56,209.1	\$ 57,540.1	[\$ - 1,331.0]	[- 2.3]	\$ 54,727.2	2.7
57,195.4	57,530.3	- 334.9	- 0.6	54,291.2	5.3
\$ (986.3)	\$ 9.8	[\$ - 996.1]	-	\$ 436.0	-
\$ 687.0	\$ 772.4	\$ - 85.4	- 11.1	\$ 1,219.2	- 43.7
1,367.8	1,368.1	- 0.3	- 0.0	1,383.9	- 1.2
177,752.6	176,591.1	1,161.5	0.7	175,445.2	1.3

[] = Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Note: Mail Volume numbers are preliminary numbers and are subject to change.

(1) The revenue plan reflects rates as requested in the R2000-1 Omnibus Rate Case. These averaged 6.4%. Rates implemented January 7, 2001 based on Postal Rate Commission (PRC) decision averaged 4.6%.

(2) Please see explanation on page 6 referencing transportation expense.

(3) The capital plan was reduced from \$3.6 billion to \$2.6 billion.

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,873	27,873	27,880
Active Postal Owned Vehicles			
Administrative	5,726	5,761	5,574
Operations	202,493	202,517	199,222
Possible City Deliveries (000)	83,673	83,656	83,196
City Delivery Routes	168,609	168,430	167,829
Rural Routes	68,818	68,671	66,933
Career Employees (Excludes Inspector General)	779,110	780,472	788,166
Casual Employees	32,599	31,926	30,907
Transitional Employees	13,877	13,941	12,995

Statement of Income & Expense
Accounting Period 11, FY 2001
(\$ Millions)

Current Period						
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY	
\$ 4,746.6	\$ 4,924.6	[\$ - 178.0]	[- 3.6]	4,507.8	5.3	Operating Revenue *
<u>4,873.7</u>	<u>4,949.6</u>	<u>- 75.9</u>	<u>- 1.5</u>	<u>4,618.7</u>	<u>5.5</u>	Operating Expense
\$ - 127.1	\$ - 25.0	[\$ - 102.1]	-	\$ - 110.9	-	Income (Loss) From Operations
2.3	2.0	0.3	14.1	2.9	- 20.5	Investment Income
- 21.5	- 28.8	7.3	- 25.5	- 18.2	18.0	Interest Expense
<u>- 123.9</u>	<u>- 123.9</u>	<u>0.0</u>	<u>0.0</u>	<u>- 121.8</u>	<u>1.7</u>	Interest on Deferred Ret. Liabilities
\$ (- 270.2)	\$ (- 175.7)	[\$ - 94.5]	-	\$ - 248.0	-	Income/(Loss)

Year-to-Date						
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY	
\$ 56,179.3	\$ 57,517.1	[\$ - 1,337.8]	[- 2.3]	\$ 54,693.4	2.7	
<u>55,521.5</u>	<u>55,801.5</u>	<u>- 280.0</u>	<u>- 0.5</u>	<u>52,726.7</u>	<u>5.3</u>	
\$ 657.8	\$ 1,715.6	[\$ - 1,057.8]	-	\$ 1,966.7	-	
29.8	23.0	6.8	29.5	33.8	- 11.8	
- 310.8	- 365.7	54.9	- 15.0	- 226.2	37.4	
<u>- 1,363.1</u>	<u>- 1,363.1</u>	<u>0.0</u>	<u>0.0</u>	<u>- 1,338.3</u>	<u>1.8</u>	
\$ (- 986.3)	\$ 9.8	[\$ - 996.1]	-	\$ 436.0	-	

[]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

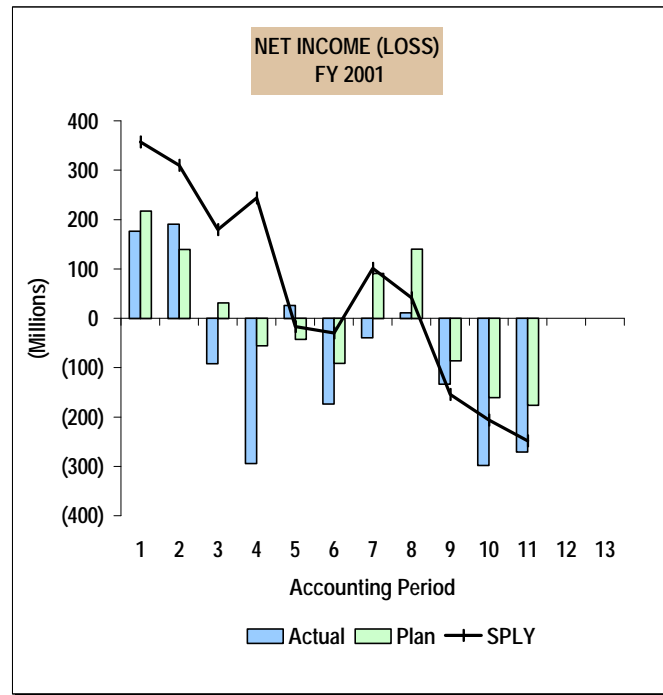
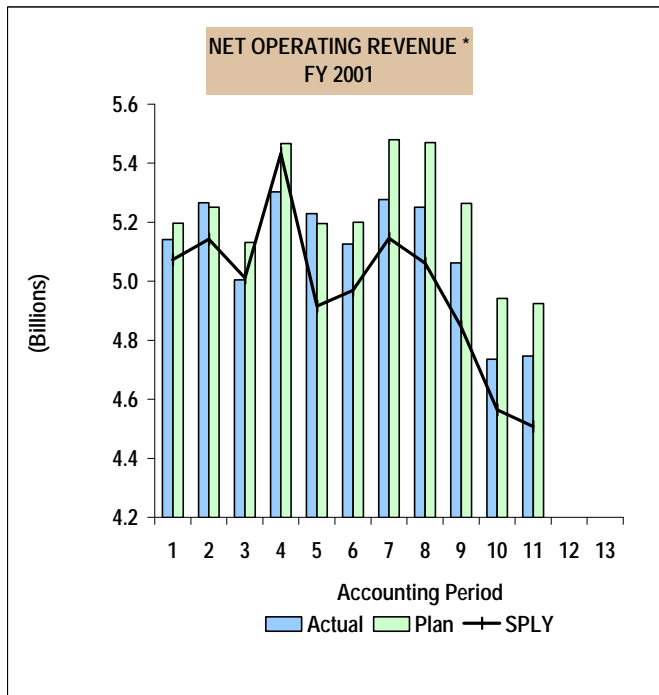
* The revenue plan reflects rates as requested in the R2000-1 Omnibus Rate Case.

MAIL VOLUME - MAIL REVENUE (Data in Thousands)

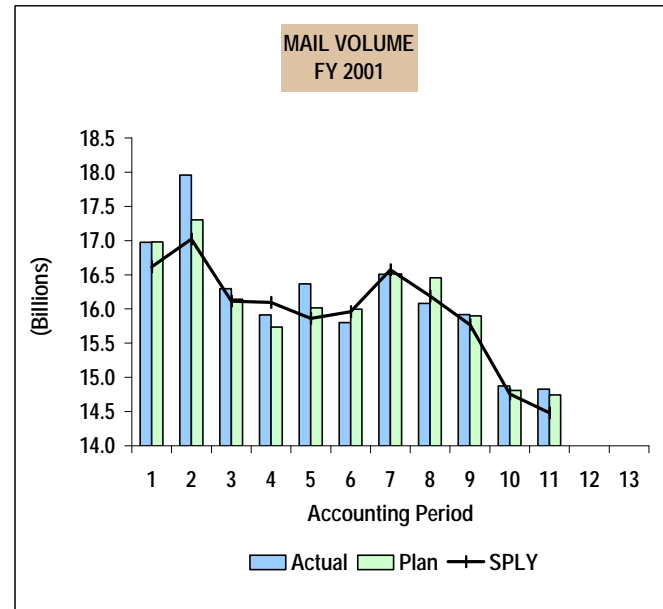
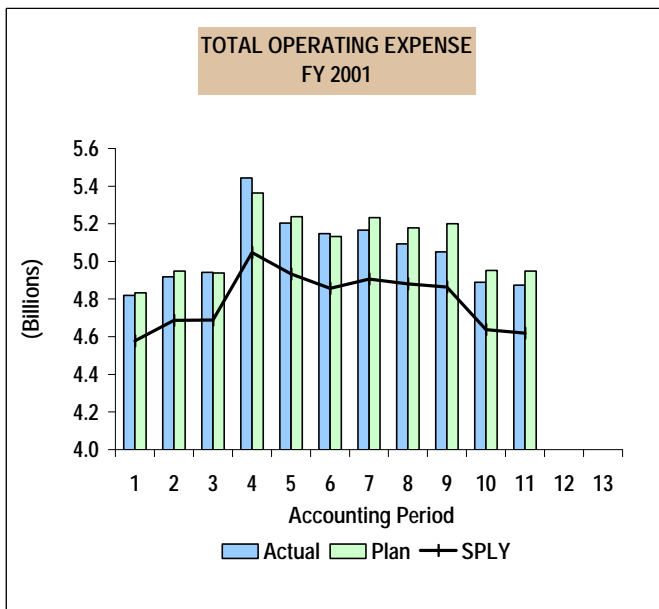
CURRENT PERIOD			
CATEGORY	AP 11, FY 2001	AP 11, FY 2000	% SPLY
FIRST-CLASS			
VOLUME	7,755,397	7,458,955	4.0
REVENUE	\$ 2,680,238	\$ 2,545,224	5.3
REV/PC.	0.3456	0.3412	1.3
PRIORITY-MAIL			
VOLUME	72,945	85,093	- 14.3
REVENUE	\$ 329,863	\$ 328,561	0.4
REV/PC.	4.5221	3.8612	17.1
EXPRESS MAIL			
VOLUME	5,008	5,296	- 5.4
REVENUE	\$ 71,811	\$ 73,271	- 2.0
REV/PC.	14.3393	13.8352	3.6
PERIODICALS			
VOLUME	744,051	743,951	0.0
REVENUE	\$ 159,748	\$ 154,259	3.6
REV/PC.	0.2147	0.2074	3.5
STANDARD MAIL			
VOLUME	6,067,546	5,997,403	1.2
REVENUE	\$ 1,072,800	\$ 1,002,571	7.0
REV/PC.	0.1768	0.1672	5.8
PACKAGE SERVICES			
VOLUME	84,454	79,066	6.8
REVENUE	\$ 138,677	\$ 124,672	11.2
REV/PC.	1.6420	1.5768	4.1
INTERNATIONAL			
VOLUME	64,741	82,784	- 21.8
REVENUE	\$ 107,851	\$ 120,520	- 10.5
REV/PC.	1.6659	1.4558	14.4
ALL OTHER			
VOLUME	32,201	30,685	4.9
REVENUE	\$ 105	\$ 110	- 4.9
ALL MAIL _1/			
VOLUME	14,826,343	14,483,233	2.4
REVENUE	\$ 4,561,093	\$ 4,349,188	4.9
REV/PC.	0.3076	0.3003	2.4

_ 1/ Totals may not sum due to rounding.

_2/ Numbers are preliminary and are subject to change.



* The revenue plan reflects rates as requested in the R2000-1 Omnibus Rate Case.



REVENUE BY SOURCE
Accounting Period 11, FY 2001
(\$ Millions)

Current Period				Year-to-Date			
Actual	SPLY	% SPLY		Actual	SPLY	% SPLY	
Operating Revenue:							
\$ 1,881.7	\$ 1,801.9	4.4	Metered Postage	\$ 21,479.0	\$ 21,295.0	0.9	
792.6	789.5	0.4	Stamps and Stamped Paper	9,879.8	9,805.5	0.8	
1,016.4	936.1	8.6	Permit Imprint	12,527.4	11,872.2	5.5	
158.2	152.8	3.5	Periodicals & Standard	1,859.9	1,801.2	3.3	
71.4	50.8	40.6	Official Mail	695.0	829.1	- 16.2	
638.3	588.0	8.6	Presort First-Class & Package Svc./Permit Imprint	7,517.9	6,939.1	8.3	
54.4	53.3	2.1	Box Rents	585.8	579.4	1.1	
14.4	14.0	2.9	Money Order Fees	153.5	158.5	- 3.2	
<u>114.0</u>	<u>116.4</u>	- 2.0	Other	<u>1,424.7</u>	<u>1,358.4</u>	4.9	
\$ 4,741.5	\$ 4,502.8	5.3	Subtotal	\$ 56,123.0	\$ 54,638.4	2.7	
Government Appropriation:							
<u>5.1</u>	<u>5.0</u>	2.6	Revenue Forgone	<u>56.3</u>	<u>55.0</u>	2.2	
\$ 4,746.6	\$ 4,507.8	5.3	Total Operating Revenue	\$ 56,179.3	\$ 54,693.4	2.7	
<u>2.3</u>	<u>2.9</u>	- 20.5	Investment Income	<u>29.8</u>	<u>33.8</u>	- 11.8	
\$ 4,748.9	\$ 4,510.7	5.3	Total Revenue	\$ 56,209.1	\$ 54,727.2	2.7	

Note: Totals may not sum due to rounding.

REVENUE BY CATEGORY
Accounting Period 11, FY 2001
(\$ Millions)

Current Period				Year-to-Date		
Actual	Budget	% Budget		Actual	Budget	% Budget
\$ 1,848.5	\$ 2,117.6	[12.7]	Commercial Revenue	\$ 22,464.6	\$ 24,482.6	[8.2]
			Permit Revenue			
<u>1,720.3</u>	<u>1,596.2</u>	7.8	Other Commercial Accounts Revenue	<u>19,203.3</u>	<u>18,253.6</u>	5.2
\$ 3,568.8	\$ 3,713.8	[3.9]	Total Commercial Revenue	\$ 41,667.9	\$ 42,736.2	[2.5]
			Retail Revenue			
939.0	950.3	[1.2]	Retail Postage Revenue	11,764.6	11,763.0	0.0
73.4	70.4	4.3	Retail Services Revenue	790.9	806.2	[1.9]
13.5	11.2	20.1	Retail Products Revenue	117.9	136.7	[13.8]
<u>119.2</u>	<u>123.9</u>	[3.8]	Other Retail Channels Revenue	<u>1,433.6</u>	<u>1,532.4</u>	[6.4]
\$ 1,145.1	\$ 1,155.8	[0.9]	Total Retail Revenue	\$ 14,107.0	\$ 14,238.3	[0.9]
\$ 4,713.9	\$ 4,869.6	[3.2]	Total Commercial & Retail Revenue	\$ 55,774.9	\$ 56,974.5	[2.1]
27.6	49.9	[44.7]	Other Income	348.1	486.1	[28.4]
<u>5.1</u>	<u>5.1</u>	0.0	Revenue Forgone	<u>56.3</u>	<u>56.5</u>	[0.4]
\$ 4,746.6	\$ 4,924.6	[3.6]	Total Operating Revenue	\$ 56,179.3	\$ 57,517.1	[2.3]
<u>2.3</u>	<u>2.0</u>	14.1	Investment Income	<u>29.8</u>	<u>23.0</u>	29.5
\$ 4,748.9	\$ 4,926.6	[3.6]	Total Revenue *	\$ 56,209.1	\$ 57,540.1	[2.3]

[]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

* The revenue plan reflects rates as requested in the R2000-1 Omnibus Rate Case.

EXPENSE ANALYSIS
Accounting Period 11, FY 2001
(\$ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY		Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY	
\$ 3,792.6	\$ 3,858.1	\$ - 65.5	- 1.7	\$ 3,621.6	4.7	Personnel Compensation	\$ 43,796.4	\$ 43,765.9	[\$ 30.5]	[0.1]	\$ 41,544.4	5.4	
Non-Personnel Expense:													
361.2	358.5	[2.7]	[0.8]	343.7	5.1	Transportation	4,292.6	4,090.9	[201.7]	[4.9]	3,989.9	7.6	
* 240.2	227.6	[12.6]	[5.5]	233.7	2.8	Supplies & Services	2,492.2	2,780.7	- 288.5	- 10.4	2,598.1	- 4.1	
479.7	505.4	- 25.7	- 5.1	419.7	14.3	Other	4,940.3	5,164.0	- 223.7	- 4.3	4,594.3	7.5	
<u>\$ 1,081.1</u>	<u>\$ 1,091.5</u>	<u>\$ - 10.4</u>	<u>- 1.0</u>	<u>\$ 997.1</u>	<u>8.4</u>	Subtotal	<u>\$ 11,725.1</u>	<u>\$ 12,035.6</u>	<u>\$ - 310.5</u>	<u>- 2.6</u>	<u>\$ 11,182.3</u>	<u>4.9</u>	
<u>\$ 4,873.7</u>	<u>\$ 4,949.6</u>	<u>\$ - 75.9</u>	<u>- 1.5</u>	<u>\$ 4,618.7</u>	<u>5.5</u>	Total Operating Expense	<u>\$ 55,521.5</u>	<u>\$ 55,801.5</u>	<u>\$ - 280.0</u>	<u>- 0.5</u>	<u>\$ 52,726.7</u>	<u>5.3</u>	
21.5	28.8	- 7.3	- 25.5	18.2	18.0	Interest Expense	310.8	365.7	- 54.9	- 15.0	226.2	37.4	
123.9	123.9	0.0	0.0	121.8	1.7	Interest on Deferred Ret. Liabilities	1,363.1	1,363.1	0.0	0.0	1,338.3	1.8	
<u>\$ 5,019.1</u>	<u>\$ 5,102.3</u>	<u>\$ - 83.2</u>	<u>- 1.6</u>	<u>\$ 4,758.7</u>	<u>5.5</u>	Total Expense	<u>\$ 57,195.4</u>	<u>\$ 57,530.3</u>	<u>\$ - 334.9</u>	<u>- 0.6</u>	<u>\$ 54,291.2</u>	<u>5.3</u>	

[]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

* In Fiscal Year (FY) 2001, the Postal Service began accruing for the cost of holiday transportation when incurred, rather than recognizing the expense when paid. The impact of this change in accounting policy is to increase the reported growth in AP 4 transportation expenses by \$137 million, relative to the same period last year (SPLY). Future accounting periods in FY 2001 will also be less comparable to the prior year, as the reported growth will be slightly lower than it otherwise would have been, compared to SPLY.

ANALYSIS OF OPERATING EXPENSES
Accounting Period 11, FY 2001
Personnel Compensation
(\$ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY		Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY	
<u>Total Compensation</u>													
Operations:													
\$ 24.9	\$ 28.0	\$ - 3.1	- 10.9	\$ 25.0	- 0.3	-Support	\$ 291.6	\$ 308.9	\$ - 17.3	- 5.6	\$ 290.8	0.3	
802.7	825.7	- 22.9	- 2.8	812.0	- 1.1	-Mail Processing	9,701.4	9,794.4	- 93.0	- 0.9	9,738.3	- 0.4	
307.5	310.0	- 2.5	- 0.8	294.3	4.5	-Rural Delivery	3,434.8	3,411.0	[23.8]	[0.7]	3,210.3	7.0	
1,075.3	1,080.6	- 5.3	- 0.5	1,025.5	4.9	-Other Delivery	12,291.7	12,182.4	[109.3]	[0.9]	11,614.5	5.8	
76.4	77.2	- 0.8	- 1.1	74.6	2.5	-Vehicles Services	875.5	877.0	- 1.5	- 0.2	847.7	3.3	
186.3	194.0	- 7.7	- 4.0	181.3	2.8	-Plant & Equip Maint	2,143.2	2,193.5	- 50.4	- 2.3	2,059.1	4.1	
539.5	546.5	- 7.0	- 1.3	542.4	- 0.5	-Customer Services	6,369.2	6,367.2	[1.9]	[0.0]	6,282.6	1.4	
20.8	25.2	- 4.4	- 17.4	22.3	- 6.5	Controller	249.0	280.2	- 31.2	- 11.1	255.3	- 2.5	
23.5	26.8	- 3.4	- 12.6	23.4	0.4	Human Resources	273.3	296.5	- 23.2	- 7.8	270.1	1.2	
30.2	33.3	- 3.1	- 9.3	30.4	- 0.8	Customer Service & Sales	352.9	376.7	- 23.8	- 6.3	389.8	- 9.5	
158.0	160.4	- 2.4	- 1.5	153.9	2.7	Administration	1,768.9	1,761.3	[7.6]	[0.4]	1,724.9	2.5	
142.0	140.7	[1.4]	[1.0]	138.2	2.8	Other Salaries & Benefits	1,653.7	1,553.8	[99.9]	[6.4]	1,459.5	13.3	
\$ 3,387.2	\$ 3,448.5	\$ - 61.1	- 1.8	\$ 3,323.2	1.9	Total Salaries & Benefits	\$ 39,405.1	\$ 39,402.9	[\$ 2.2]	[0.0]	\$ 38,142.7	3.3	
78.7	78.7	[0.0]	[0.0]	69.9	12.6	Workers' Compensation	868.0	838.8	[29.2]	[3.5]	769.4	12.8	
5.6	5.6	[0.0]	[0.3]	3.1	81.0	Unemployment Compensation	61.9	61.9	[0.0]	[0.0]	33.7	83.5	
107.4	107.4	0.0	0.0	99.2	8.3	Deferred Retirement Cost	1,180.9	1,180.9	0.0	0.0	1,090.9	8.3	
61.3	61.3	0.0	0.0	52.4	17.0	CSRS Annuitant COLA	673.8	673.8	0.0	0.0	571.9	17.8	
66.0	66.0	0.0	0.0	57.0	15.7	Annuitant Health Benefits	726.0	726.0	0.0	0.0	627.3	15.7	
86.3	90.6	- 4.3	- 4.7	16.8	414.0	Other Compensation	880.7	881.7	- 1.0	- 0.1	308.4	185.5	
\$ 3,792.6	\$ 3,858.1	\$ - 65.5	- 1.7	\$ 3,621.6	4.7	Total Personnel Compensation	\$ 43,796.4	\$ 43,765.9	[\$ 30.5]	[0.1]	\$ 41,544.4	5.4	

[]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.

ANALYSIS OF NON-PERSONNEL EXPENSES
Accounting Period 11, FY 2001
(\$ Millions)

Current Period							Description	Year-to-Date														
Actual	Budget	Var. to Budget		% Budget	SPLY *	% SPLY		Actual	Budget	Var. to Budget		% Budget	SPLY *	% SPLY								
\$	361.2	\$	358.5	[\$	2.7]	[	0.8]	\$	343.7	5.1	Transportation	\$	4,292.6	\$	4,090.9	[\$	201.8]	[	4.9]	\$	3,989.9	7.6
	240.2		227.6	[	12.5]	[	5.5]		233.7	2.8	Supplies & Services		2,492.2		2,780.7	-	288.5	-	10.4		2,598.1	- 4.1
	199.2		182.6	[	16.5]	[	9.1]		156.2	27.6	Depreciation		1,876.1		1,908.3	-	32.2	-	1.7		1,711.3	9.6
	71.8		77.6		- 5.9		- 7.6		68.4	5.0	Rent		732.4		768.1	-	35.7	-	4.7		695.8	5.3
	35.6		48.3		- 12.7		- 26.3		33.6	6.1	Fuel & Utilities		421.3		423.4	-	2.1	-	0.5		357.4	17.9
	30.0		29.8	[	0.1]	[	0.5]		28.2	6.3	Rural Carrier Equip Maint Allowance		329.4		327.3	[	2.1]	[	0.6]		300.7	9.6
	31.1		30.4	[	0.7]	[	2.3]		28.1	10.8	Vehicle Maintenance		365.3		338.5	[	26.8]	[	7.9]		313.4	16.5
	24.7		37.3		- 12.6		- 33.9		22.3	10.6	Information Technology		257.9		333.0	-	75.0	-	22.5		242.8	6.3
	8.9		17.7		- 8.8		- 49.8		13.1	- 32.3	Building Projects Expensed		116.4		172.2	-	55.8	-	32.4		145.6	- 20.1
	5.1		5.3		- 0.2		- 3.6		5.2	- 1.0	Contract Job Cleaners		58.7		59.0	-	0.3	-	0.5		55.3	6.2
	12.7		12.2	[	0.5]	[	4.3]		12.1	5.3	Travel & Relocation		120.8		142.1	-	21.2	-	14.9		125.6	- 3.8
	12.8		18.7		- 6.0		- 31.9		16.2	- 21.3	Communications		174.3		201.2	-	26.9	-	13.3		206.5	- 15.6
	5.7		6.1		- 0.4		- 6.6		5.6	1.1	Contract Stations		59.3		61.2	-	1.9	-	3.1		58.6	1.2
	1.2		4.3		- 3.0		- 70.9		4.2	- 70.4	Printing		28.6		36.9	-	8.3	-	22.4		36.3	- 21.1
	5.2		6.8		- 1.6		- 23.2		4.3	21.5	Training		56.4		75.5	-	19.0	-	25.2		43.1	30.8
	4.4		4.1	[	0.3]	[	7.5]		3.7	19.9	Carfare & Tolls		51.3		55.0	-	3.7	-	6.8		51.3	- 0.0
	2.4		3.5		- 1.1		- 32.3		3.4	- 29.8	Vehicle Hire		40.5		38.4	[	2.1]	[	5.5]		39.8	1.7
	3.3		2.9	[	0.4]	[	14.3]		4.1	- 19.7	Accident Cost		42.9		41.0	[	1.8]	[	4.5]		36.6	17.0
	- 3.9		- 5.0	[	1.1]	[	21.2]		- 3.9	- 0.3	Capitalized Interest		- 46.5		- 55.0	[	8.5]	[	15.5]		- 44.5	- 4.5
	29.7		22.7	[	7.0]	[	30.8]		15.1	-	Miscellaneous		254.9		237.9	[	17.0]	[	7.1]		218.7	-
\$	1,081.1	\$	1,091.5	\$	- 10.4	- 1.0		\$	997.1	8.4	Total Other Operating Expenses	\$	11,725.1	\$	12,035.6	\$	- 310.5	- 2.6		\$	11,182.3	4.9

[]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.

STATEMENT OF FINANCIAL POSITION			
Accounting Period 11, FY 2001			
(\$ Millions)			
Assets	July 13, 2001	June 15, 2001	September 30, 2000 *
Current Assets:			
Cash and cash equivalents _1/	\$ 140	\$ 0	\$ 677
U.S. Government securities, at amortized cost which approximates market	6	6	6
Receivables:			
Foreign countries	421	419	349
U.S. Government	119	126	134
Other	<u>240</u>	<u>244</u>	<u>213</u>
	780	789	696
Less allowances	<u>118</u>	<u>116</u>	<u>107</u>
	662	673	589
Supplies, advances and prepayments	<u>325</u>	<u>361</u>	<u>383</u>
Total Current Assets	1,133	1,040	1,655
Other assets _2/	375	375	375
Property and equipment, at cost:			
Buildings	18,708	18,617	17,685
Equipment	15,191	14,854	13,973
Land	<u>2,671</u>	<u>2,662</u>	<u>2,534</u>
	36,570	36,133	34,192
Less allowances for depreciation	<u>14,443</u>	<u>14,304</u>	<u>13,143</u>
	22,127	21,829	21,049
Construction in progress	2,034	2,320	2,389
Leasehold improvements, net	<u>655</u>	<u>657</u>	<u>632</u>
	24,816	24,806	24,070
Deferred Retirement Costs _3/	<u>32,698</u>	<u>32,867</u>	<u>32,183</u>
Total Assets	\$ 59,022	\$ 59,088	\$ 58,283

_1/ Includes securities with maturities of 90 days or less in accordance with Statement of Financial Accounting Standards (SFAS) No. 95.

_2/ Includes \$373 million as of September 30, 2000, June 15, 2001, and July 13, 2001 for appropriation receivable for revenue forgone.

_3/ Represents the Postal Service's deferred retirement liability to OPM for increases in basic pay and annuitants' COLAs. Amounts applicable to future periods are capitalized as deferred retirement costs and amortized over 30 years for basic pay and 15 years for annuitants' COLAs.

* Audited year-end data

STATEMENT OF FINANCIAL POSITION
Accounting Period 11, FY 2001
(\$ Millions)

Liabilities and Equities	July 13, 2001	June 15, 2001	September 30, 2000 *
Current Liabilities:			
Compensation and employees' benefits	\$ 6,811	\$ 6,544	\$ 5,295
Estimated prepaid postage	1,617	1,615	1,594
Payables and accrued expenses:			
Foreign countries	521	511	439
U.S. Government	151	139	150
Other	<u>2,311</u>	<u>2,267</u>	<u>1,300</u>
	2,983	2,917	1,889
Appropriation for free & reduced rate mail	15	19	0
Prepaid permit mail and box rentals	1,487	1,490	1,969
Outstanding postal money orders	919	882	716
Current portion of debt	<u>1,377</u>	<u>1,535</u>	<u>6,814</u>
Total Current Liabilities	15,209	15,002	18,277
Long-term debt, less current portion	4,552	4,552	2,502
Other Liabilities:			
Amounts payable for retirement benefits _3/	32,275	32,275	30,212
Workers' compensation claims	5,821	5,742	5,029
Employees' accumulated leave	1,913	2,024	2,090
Other	<u>1,135</u>	<u>1,103</u>	<u>819</u>
Total Other Liabilities	41,144	41,144	38,150
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	<u>- 4,917</u>	<u>- 4,644</u>	<u>- 3,680</u>
Equity/Capital Deficiency	<u>- 1,883</u>	<u>- 1,610</u>	<u>- 646</u>
Total Liabilities and Equity	<u>\$ 59,022</u>	<u>\$ 59,088</u>	<u>\$ 58,283</u>

_3/ Represents the Postal Service's deferred retirement liability to OPM for increases in basic pay and annuitants' COLAs. Amounts applicable to future periods are capitalized as deferred retirement costs and amortized over 30 years for basic pay and 15 years for annuitants' COLAs.

* Audited year-end data

CAPITAL INVESTMENTS
FY 2001
(\$ Millions)

MAJOR CATEGORIES	COMMITMENTS			CASH OUTLAYS		
	A/P 11 Year-to-Date			A/P 11 Year-to-Date		
	ACTUAL	PLAN	SPLY	ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	\$ 146.5	\$ 153.6	\$ 379.1	\$ 524.2	\$ 595.2	\$ 685.1
BUILDING IMPROVEMENTS	165.7	236.7	351.5	411.9	461.7	556.0
MAIL PROCESSING EQUIPMENT	256.3	182.2	160.7	691.8	622.5	694.2
VEHICLES	41.2	25.5	42.1	259.7	172.3	149.9
RETAIL EQUIPMENT	60.2	59.7	203.4	194.6	158.5	180.9
POSTAL SUPPORT EQUIPMENT	166.7	181.0	188.5	308.3	370.8	280.0
TOTAL COMMITMENTS/CASH OUTLAYS *	\$ 836.6	\$ 838.6	\$ 1,325.3	\$ 2,390.4	\$ 2,381.1	\$ 2,546.1

Note: Totals may not sum due to rounding.

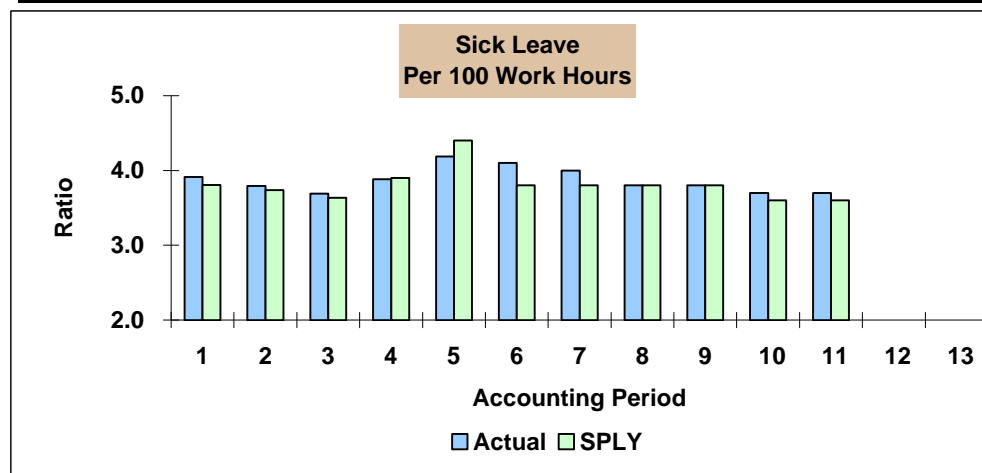
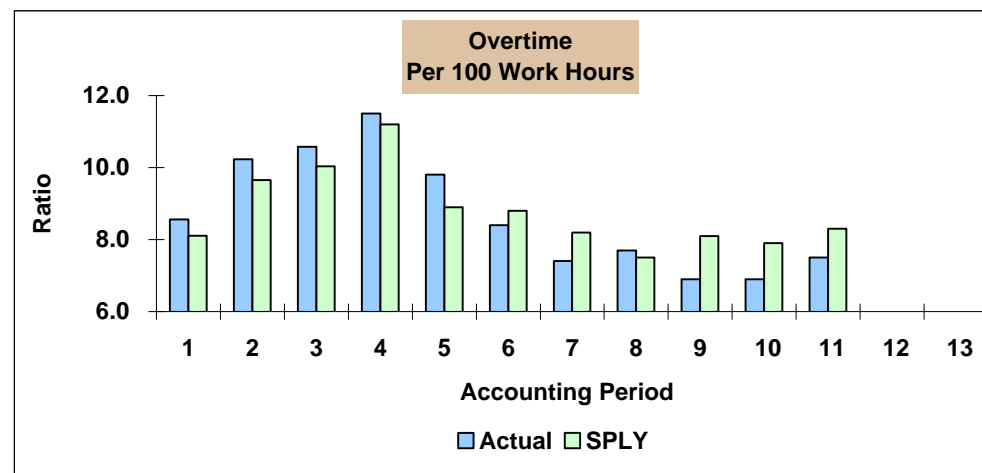
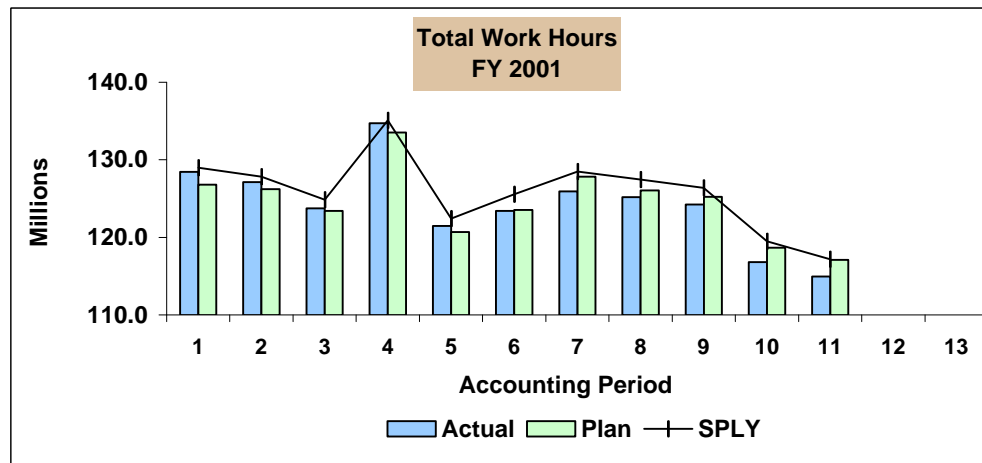
* The capital plan was reduced from \$3.6 billion to \$2.6 billion and is reflected above.

RESOURCES ON ORDER
(\$ Millions)

MAJOR CATEGORIES	July 13, 2001	September 30, 2000
CONSTRUCTION AND BUILDING PURCHASE	\$ 307.2	\$ 693.2
BUILDING IMPROVEMENTS	189.9	458.1
MAIL PROCESSING EQUIPMENT	1,137.4	1,617.0
VEHICLES	156.0	375.2
RETAIL EQUIPMENT	94.2	228.7
POSTAL SUPPORT EQUIPMENT	119.4	269.2
INVENTORIES	188.7	230.2
RESEARCH AND DEVELOPMENT	42.2	38.9
MISCELLANEOUS EXPENSE COMMITMENTS	3,314.0	3,463.1
TOTAL RESOURCES ON ORDER	\$ 5,549.1	\$ 7,373.5

Note: Totals may not sum due to rounding.

STATEMENT OF CASH FLOWS (\$ Millions)	
For the Fiscal Year through July 13, 2001	
Cash flows from operating activities:	
Net income/(loss) (Government Fiscal Year Basis)	\$ (1,237)
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	1,750
Increase/(decrease) in other liabilities	316
Increase/(decrease) in employees' accumulated leave	(177)
Increase/(decrease) in non-current workers' compensation claims	792
Increase/(decrease) in retirement, net	1,548
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	1,516
Increase/(decrease) in deferred revenue	(444)
Increase/(decrease) in payables and accrued expenses	1,094
(Increase)/decrease in receivables	(73)
(Increase)/decrease in supplies, advances and prepayments	58
Increase/(decrease) in outstanding postal money orders	203
Net cash provided by operating activities	5,346
Cash flows from investing activities:	
Sale/(purchase) of U.S. Government securities, net	0
Purchase of property and equipment, net	(2,496)
Net cash used in investing activities	(2,496)
Cash flows from financing activities:	
Increase/(decrease) in debt	(3,387)
(Increase)/decrease in other non-current assets	0
Net cash used by financing activities	(3,387)
Net (decrease)/increase in cash and cash equivalents	(537)
Cash and cash equivalents at beginning of period	677
Cash and cash equivalents at end of period	\$ 140



WORK HOURS & OVERTIME/SICK LEAVE RATIOS
Accounting Period 11, FY 2001
(Data in Thousands)

Current Period						Year-to-Date				
Actual	Var. to Budget	% Budget	SPLY *	% SPLY		Actual	Var. to Budget	% Budget	SPLY *	% SPLY
					<u>Total Work Hours</u>					
682	- 78	- 10.3	708	- 3.7	Operations:					
28,121	- 695	- 2.4	29,103	- 3.4	-Support	8,185	- 449	- 5.2	8,507	- 3.8
13,046	- 91	- 0.7	12,776	2.1	-Mail Processing	350,857	- 768	- 0.2	362,517	- 3.2
35,434	- 51	- 0.1	35,868	- 1.2	-Rural Delivery	145,813	- 324	- 0.2	141,948	2.7
2,432	- 44	- 1.8	2,434	- 0.1	-Other Delivery	413,746	[3,426]	[0.8]	415,663	- 0.5
6,026	- 307	- 4.8	6,006	0.3	-Vehicles Services	28,484	- 161	- 0.6	28,547	- 0.2
18,320	- 336	- 1.8	18,963	- 3.4	-Plant & Equip Maint	70,641	- 2,075	- 2.9	70,182	0.7
625	- 137	- 17.9	691	- 9.6	-Customer Services	221,161	- 852	- 0.4	226,092	- 2.2
660	- 90	- 12.0	678	- 2.7	Controller	7,660	- 959	- 11.1	8,144	- 5.9
955	- 97	- 9.2	988	- 3.3	Human Resources	7,944	- 552	- 6.5	8,119	- 2.2
4,990	- 41	- 0.8	5,018	- 0.6	Customer Service & Sale:	11,441	- 749	- 6.1	12,910	- 11.4
3,643	- 178	- 4.7	3,949	- 7.7	Administration	56,812	[226]	[0.4]	57,354	- 0.9
					Other	45,062	[2,925]	[6.9]	43,937	2.6
114,934	- 2,145	- 1.8	117,182	- 1.9	Total Work Hours	1,367,806	- 312	- 0.0	1,383,920	- 1.2

Overtime							
Actual	Budget	SPLY			Actual	Budget	SPLY
7.5%	7.4%	8.3%	Overtime Ratio Per 100 Work Hours		8.7%	8.2%	8.9%

Sick Leave							
Actual	Budget	SPLY			Actual	Budget	SPLY
3.7%	--	3.6%	Sick Leave Ratio Per 100 Work Hours		3.9%	--	3.9%

[]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.